

**COMMERCIAL BANK OF DUBAI
MANAGEMENT REPORT FOR THE
NINE MONTHS ENDED ON 30TH SEPTEMBER 2003**

A. ACTIVITIES DURING THE THIRD QUARTER ENDED 30TH SEPTEMBER 2003

The Commercial Bank of Dubai unveiled Its new-look corporate identity, reflecting its future directions and representing the bank's bright image built on a history of banking and financial services.

The new logo features a modern, dynamic and attractive style where a harmony of colors and lines paint promising horizons for the bank, maintaining the portrayal of the clock tower, which symbolises CBD's 35 year journey playing a vital role in the development of the U.A.E.

Launching the new corporate identity opens a new chapter in the bank's progress as it moves to a new head office and main branch in Deira to be officially opened before the end of the year 2003.

B. FINANCIAL HIGHLIGHTS OF THE FIRST NINE MONTHS OF THE YEAR 2003 COMPARED TO THE SAME PERIOD IN 2002:-

1) Income Statement:-

- Unaudited net profit has increased by 15.5 to 200 million at the end of the third quarter of the year 2003 over the corresponding period in the previous year.
- Earning per share (Eps) amounted to AED 5.4 at the end of September 2003 compared to AED 5.1 at the end of September 2002.

2) Balance Sheet

Unaudited balance sheet of the Bank has grown by 8 % to AED 7,492 million at the end of September 2003 over the same period of 2002, as a result of :-

- Loans & Advances has increased by 11.3 % to 5,343 million.
- Investments has increased by 54.4 % as a result of purchasing of profitable financial instruments.
- Property and equipment has increased by 21.2 % .

- Customer deposits has increased by 7.6 % to 5.526 million as a result of the confidence the customers in the bank's performance and the state of the U.A.E. economy.

3) **Financial Ratio:-**

The Bank's Financial ratio reflects the strong performance as follows:-

		<u>Nine months ended 30th September</u>	
		<u>2003</u>	<u>2002</u>
- Net profit to share capital		53.7 %	51.10 %
- Net profit to shareholders equity		20 %	18.70 %
- Return on Assets		3.50 %	3.20 %
- Book value per share	AED	30.90	31.20
- Capital Adequacy		19.37%	19.89 %

Note: We calculate the previous ratios and earning per share using annualized profit.